



# Clean Coal Technology For Hoosier Families

Indiana has an abundance of coal, which allows 98 percent of all our electric energy to be generated from coal. But the state is facing a dilemma. New federal regulations looming over the horizon could hinder the way Indiana produces coal and possibly bring it to a halt. Indiana is one of 22 states affected by these new EPA regulations, which take effect in 2004, to reduce the amount of nitrogen oxide emitted into the air.

Senator Tom Weatherwax (R-Logansport), as previous chairman of the Senate Energy and Economic Development Committee, took the lead in developing a bill during the 2002 legislative session that will combat this threat by providing incentives for clean coal technology and alternative energy sources.

"Senate Bill 29 is a unique approach to create advance clean coal technologies to clean up our environment, use Indiana coal, create economic development and jobs, and promote these investments and risks from the private sector, and not any public tax dollars," said Weatherwax.

Senate Bill 29, Clean Coal Technology, will:

- Creates a new Center for Coal Technology Research and empower the center to find ways to continue using Indiana coal in an environmentally and economically sound manner. The center will be a focal point for new clean coal technology projects.
- Expands current law to allow utilities that use Illinois Basin coal to recover pollution control equipment costs during construction. Current law limited recovery to just sulfur and nitrogen pollutant based reduction systems.
- Enacts new incentives for electric utilities to incorporate clean coal technologies on existing and new power plants that utilize Illinois Basin, which includes Indiana produced coal, Coal. It also provides incentives for renewable energy projects of any size.

•The Utility Regulatory Commission shall encourage clean coal and renewable energy projects and may grant timely recovery and up to a three percentage point increase in the rate of return that would otherwise be allowed.

•Grants the IURC the power to periodically review approved projects and revoke any incentives not complied with in the original order from the Commission.



"Senate Bill 29 promotes the economic development and energy security of Indiana by encouraging the construction of clean coal technology and the advancement of alternative energy sources," said Weatherwax. "I wrote this bill without being pressured from a number of groups including the coal and utility industries, the CAC or the IURC

and it has helped in making a strong yet fair bill for everyone."

Clean coal technology takes advantage of coal gasification, which is a manufacturing process that converts coal into a clean gas that can be used as a fuel to generate power, Weatherwax said. During this process, impurities in the coal that could contribute to air and water pollution are removed prior to combustion in the gas turbine, resulting in air and water emissions that are comparable to those of natural gas-fired power plants.

An example of these low emissions comes from the Wabash River Energy company, a Global Energy Technologies company, in Indiana, which has reduced the SO<sub>2</sub> emissions by 5500 tons per year, reduced the NO<sub>x</sub> emissions by nearly 1200 tons per year and reduced the particulate emissions by 100 tons per year. All of these reductions came while producing nearly six times more power. It has been declared the cleanest coal fired generation-gasification plant in the entire United States.

# Example of Clean Coal Gasification Process

